

2011 Property Tax Report

Henry County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Henry County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Henry County

The average homeowner saw a 4.7% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 29.0% lower than they were in 2007, before the property tax reforms.

93.7% of homeowners saw lower tax bills in 2011 than in 2007.

53.5% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	<u>2010 to 2011</u>		<u>2007 to 2011</u>	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	8,576	68.2%	723	5.8%
No Change	771	6.1%	72	0.6%
Lower Tax Bill	3,224	25.6%	11,776	93.7%
Average Change in Tax Bill	4.7%		-29.0%	
Detailed Change in Tax Bill				
20% or More	1,850	14.7%	276	2.2%
10% to 19%	3,083	24.5%	136	1.1%
1% to 9%	3,643	29.0%	311	2.5%
0%	771	6.1%	72	0.6%
-1% to -9%	2,361	18.8%	822	6.5%
-10% to -19%	239	1.9%	1,718	13.7%
-20% to -29%	99	0.8%	2,989	23.8%
-30% to -39%	73	0.6%	2,724	21.7%
-40% to -49%	35	0.3%	1,395	11.1%
-50% to -59%	31	0.2%	591	4.7%
-60% to -69%	35	0.3%	336	2.7%
-70% to -79%	32	0.3%	292	2.3%
-80% to -89%	18	0.1%	215	1.7%
-90% to -99%	13	0.1%	145	1.2%
-100%	288	2.3%	549	4.4%
Total	12,571	100.0%	12,571	100.0%

Note: Percentages may not total due to rounding.

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LOSS OF STATE HOMESTEAD CREDIT AND HIGHER TAX RATES RAISE HOMEOWNER TAX BILLS

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Homestead Property Taxes

Homestead property taxes increased 4.7% on average in Henry County in 2011. This was about the same as the state average of 4.4%. Henry County homestead taxes were still 29.0% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.9% in Henry County in 2010. Higher tax rates also contributed to higher homeowner tax bills.

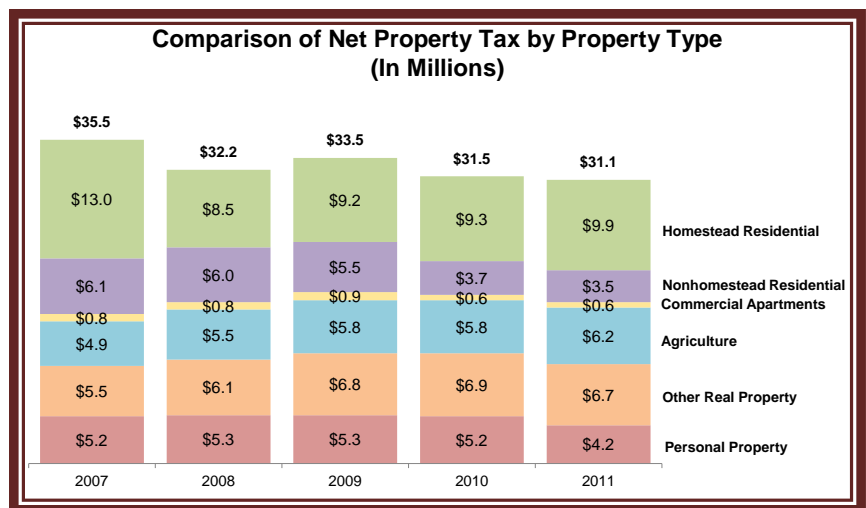
Tax Rates

Property tax rates increased in most Henry County tax districts. The average tax rate increased by 4.5% because of a small increase in the levy coupled with a decline in net assessed value. Levies in Henry County increased by 1.1%. The biggest levy increases were in the South Henry Schools debt service and bus replacement funds. Shenandoah Schools reduced its debt service levy. Henry County's total net assessed value decreased 2.7% in 2011. (The certified net AV used to compute tax rates declined by 3.2%.) Homestead and other residential net assessments decreased by 2.0% and 3.3%, respectively. Agricultural assessments showed an increase at 4.6%, while business net assessments decreased by 8.0%.

★★★★★★
*DECLINES IN BUSINESS, OTHER
 RESIDENTIAL AND APARTMENT
 ASSESSMENTS REDUCED TAX BILLS*
 ★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers decreased by 1.7% in Henry County in 2011, whereas statewide there was an increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 5.0%. Tax bills for commercial apartments fell 2.9%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – fell steeply, by 9.8%. These tax bill decreases reflect reductions in assessed values in Henry County in 2011. However, agricultural tax bills rose 5.6%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED
 SLIGHTLY IN 2011*
 ★★★★★★

Total tax cap credit losses in Henry County were \$4.9 million, or 12.9% of the levy. This was more than the state average loss rate of 9.2%, and much more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Henry County's tax rates were higher than the state median.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% business category. The largest percentage losses were in New Castle City, New Castle Community Schools, and the towns of Dunreith and Shirley. The largest dollar losses were New Castle City, New Castle Community Schools, and the county unit.

Henry County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$326,148	\$2,119,312	\$1,575,349	\$0	\$4,020,809	10.7%
2011 Tax Cap Credits	535,751	2,568,531	1,744,412	23,076	4,871,769	12.9%
Change	\$209,603	\$449,219	\$169,063	\$23,076	\$850,960	2.1%

Tax cap credits increased in Henry County in 2011 by \$850,960, or 21%. The additional credits

represent an added loss of 2.1% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category, the result of higher tax rates. The elimination of the state homestead credit added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had an effect on Henry County assessments for pay-2011. Business, homestead, and other residential property values and construction activity appear to have fallen in Henry County in 2009. The drop in assessed value added to tax rate increases, which added to tax cap revenue losses. The added losses from credits were greater than the increase in the levy, so Henry local governments had less after-credit revenue in 2011 than in 2010.

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*2009 RECESSION REDUCED AFTER-
 CREDIT REVENUE IN PAY-2011*
 ★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,456,746,980	\$1,439,500,595	-1.2%	\$537,460,780	\$526,907,389	-2.0%
Other Residential	161,060,690	155,341,030	-3.6%	159,702,130	154,423,495	-3.3%
Ag Business/Land	305,475,930	319,094,225	4.5%	304,489,150	318,524,935	4.6%
Business Real/Personal	630,688,890	578,492,800	-8.3%	476,301,000	438,169,376	-8.0%
Total	\$2,553,972,490	\$2,492,428,650	-2.4%	\$1,477,953,060	\$1,438,025,195	-2.7%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Henry County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	49,314,762	50,463,376	35,459,270	36,475,836	36,893,294	2.3%	-29.7%	2.9%	1.1%
State Unit	41,094	42,820	0	0	0	4.2%	-100.0%		
Henry County	10,030,219	11,279,478	8,358,171	8,496,714	8,799,373	12.5%	-25.9%	1.7%	3.6%
Blue River Township	31,379	32,087	32,241	33,061	33,676	2.3%	0.5%	2.5%	1.9%
Dudley Township	17,919	17,907	10,496	11,004	46,879	-0.1%	-41.4%	4.8%	326.0%
Fall Creek Township	63,827	65,068	65,454	66,984	67,813	1.9%	0.6%	2.3%	1.2%
Franklin Township	29,514	29,125	30,470	31,419	31,945	-1.3%	4.6%	3.1%	1.7%
Greensboro Township	39,596	19,509	20,647	21,365	21,138	-50.7%	5.8%	3.5%	-1.1%
Harrison Township	25,539	26,127	27,400	28,430	29,137	2.3%	4.9%	3.8%	2.5%
Henry Township	475,250	488,030	511,348	531,605	545,304	2.7%	4.8%	4.0%	2.6%
Jefferson Township	43,491	43,749	44,236	45,182	46,050	0.6%	1.1%	2.1%	1.9%
Liberty Township	28,546	29,419	30,712	31,847	50,179	3.1%	4.4%	3.7%	57.6%
Prairie Township	104,582	124,798	111,293	103,702	86,890	19.3%	-10.8%	-6.8%	-16.2%
Spiceland Township	37,258	37,913	37,814	38,769	39,304	1.8%	-0.3%	2.5%	1.4%
Stoney Creek Township	26,105	26,779	27,001	27,775	28,312	2.6%	0.8%	2.9%	1.9%
Wayne Township	58,948	60,864	90,682	100,382	99,983	3.3%	49.0%	10.7%	-0.4%
New Castle Civil City	6,469,668	6,766,360	6,726,932	6,926,725	7,210,549	4.6%	-0.6%	3.0%	4.1%
Shirley Civil Town	49,926	50,327	57,090	56,636	58,797	0.8%	13.4%	-0.8%	3.8%
Blountsville Civil Town	6,771	7,163	7,355	7,684	7,885	5.8%	2.7%	4.5%	2.6%
Cadiz Civil Town	3,534	3,665	3,811	3,955	4,058	3.7%	4.0%	3.8%	2.6%
Dunreith Civil Town	30,315	31,077	32,403	33,783	34,676	2.5%	4.3%	4.3%	2.6%
Greensboro Civil Town	7,894	7,715	7,708	8,418	8,639	-2.3%	-0.1%	9.2%	2.6%
Kennard Civil Town	29,313	29,591	31,612	32,814	33,679	0.9%	6.8%	3.8%	2.6%
Knightstown Civil Town	373,487	382,860	360,154	372,759	381,745	2.5%	-5.9%	3.5%	2.4%
Lewisville Civil Town	29,986	31,102	30,222	32,489	33,334	3.7%	-2.8%	7.5%	2.6%
Middletown Civil Town	391,895	399,362	400,517	485,362	483,615	1.9%	0.3%	21.2%	-0.4%
Mooreland Civil Town	25,373	25,351	25,720	27,126	27,803	-0.1%	1.5%	5.5%	2.5%
Mount Summit Civil Town	5,616	5,813	6,043	6,271	6,437	3.5%	4.0%	3.8%	2.6%
Spiceland Civil Town	52,329	54,038	55,835	45,318	53,135	3.3%	3.3%	-18.8%	17.2%
Springport Civil Town	12,035	12,481	12,978	13,472	13,825	3.7%	4.0%	3.8%	2.6%
Straughn Civil Town	18,211	18,849	19,165	19,808	20,312	3.5%	1.7%	3.4%	2.5%
Sulphur Springs Civil Town	19,813	20,436	21,752	22,563	23,057	3.1%	6.4%	3.7%	2.2%
Blue River Valley School Corporation	2,976,446	2,960,533	1,821,487	1,905,726	1,910,622	-0.5%	-38.5%	4.6%	0.3%
South Henry School Corporation	2,901,762	2,704,826	2,037,411	1,882,152	2,387,441	-6.8%	-24.7%	-7.6%	26.8%
Shenandoah School Corporation	4,998,635	4,809,476	2,627,023	3,041,633	2,114,586	-3.8%	-45.4%	15.8%	-30.5%
New Castle Community School Corporation	12,420,626	12,639,340	7,017,366	6,860,805	6,950,686	1.8%	-44.5%	-2.2%	1.3%
Charles A. Beard Memorial School Corporation	3,965,528	4,174,621	2,152,510	2,528,799	2,400,084	5.3%	-48.4%	17.5%	-5.1%
Union School Corporation	498,712	463,391	227,337	218,583	228,685	-7.1%	-50.9%	-3.9%	4.6%
Nettle Creek School Corporation	530,850	541,806	293,349	314,401	295,679	2.1%	-45.9%	7.2%	-6.0%
Knightstown Public Library	46,759	48,120	50,559	52,502	52,343	2.9%	5.1%	3.8%	-0.3%
Middletown-Fall Creek Township Public Library	101,242	116,580	69,340	71,936	122,937	15.1%	-40.5%	3.7%	70.9%
Spiceland Public Library	13,442	13,889	14,474	15,018	15,360	3.3%	4.2%	3.8%	2.3%
New Castle-Henry County Public Library	2,253,167	1,775,969	1,905,096	1,920,859	2,087,342	-21.2%	7.3%	0.8%	8.7%
Three Rivers Solid Waste Management District	0	0	0	0	0				
Middletown Redevelopment Commission	0	0	0	0	0				
Henry County Redevelopment Commission	28,160	44,962	46,056	0	0	59.7%	2.4%	-100.0%	

Henry County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
33001	Blue River Township	2.3531	--	--	6.6150%	--	--	--	2.1974
33002	Mooreland Town	3.0085	--	--	0.4848%	--	--	--	2.9939
33003	Dudley Township	2.3249	--	--	20.4100%	--	--	--	1.8504
33004	Straughn Town	2.8118	--	--	--	--	--	--	2.8118
33005	Fall Creek Township	1.5892	--	--	0.7455%	--	--	--	1.5774
33006	Middletown Town	2.4610	--	--	15.3302%	--	--	--	2.0837
33007	Franklin Township	2.2992	--	--	8.8508%	--	--	--	2.0957
33008	Lewisville Town	2.8538	--	--	1.7015%	--	--	--	2.8052
33009	Greensboro Township	2.2156	--	--	0.7603%	--	--	--	2.1988
33010	Shirley Town	4.0727	--	--	0.0097%	--	--	--	4.0723
33011	Greensboro Town	2.7337	--	--	--	--	--	--	2.7337
33012	Kennard Town	2.8814	--	--	0.3291%	--	--	--	2.8719
33013	Harrison Township	1.5900	--	--	33.9983%	--	--	--	1.0494
33014	Cadiz Town	1.7844	--	--	3.0777%	--	--	--	1.7295
33015	Henry Township	2.2287	--	--	40.3553%	--	--	--	1.3293
33016	New Castle City	3.9606	--	--	18.1634%	--	--	--	3.2412
33017	Jefferson Township	1.6397	--	--	2.8982%	--	--	--	1.5922
33018	Sulphur Springs Town	1.9373	--	--	16.9105%	--	--	--	1.6097
33019	West Liberty Township	2.0877	--	--	13.1135%	--	--	--	1.8139
33020	East Liberty Township	1.9206	--	--	4.1696%	--	--	--	1.8405
33021	Prairie Township	2.3567	--	--	4.5605%	--	--	--	2.2492
33022	Mount Summit Town	2.3956	--	--	0.8879%	--	--	--	2.3743
33023	Springport Town	2.9038	--	--	0.0089%	--	--	--	2.9035
33024	Spiceland Township	2.1490	--	--	13.5297%	--	--	--	1.8582
33025	Dunreith Town	3.4016	--	--	0.1285%	--	--	--	3.3972
33026	Spiceland Town	2.5650	--	--	2.2382%	--	--	--	2.5076
33027	Stoney Creek Township	1.7705	--	--	3.8311%	--	--	--	1.7027
33028	Blountsville Town	2.2426	--	--	11.3452%	--	--	--	1.9882
33029	Wayne Township	2.2490	--	--	16.0162%	--	--	--	1.8888
33030	Knightstown Town	3.1619	--	--	11.7778%	--	--	--	2.7895

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Henry County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	535,751	2,566,090	1,683,993	22,940	4,808,773	36,893,294	13.0%
<i>TIF Total</i>	0	2,441	60,419	136	62,996	1,010,429	6.2%
<i>County Total</i>	535,751	2,568,531	1,744,412	23,076	4,871,769	37,903,723	12.9%
Henry County	92,327	481,906	268,903	4,982	848,118	8,799,373	9.6%
Blue River Township	107	2,364	2	0	2,472	33,676	7.3%
Dudley Township	3	3,320	0	22	3,345	46,879	7.1%
Fall Creek Township	6	469	0	16	490	67,813	0.7%
Franklin Township	133	2,055	0	21	2,209	31,945	6.9%
Greensboro Township	279	1,129	131	9	1,547	21,138	7.3%
Harrison Township	0	0	0	4	4	29,137	0.0%
Henry Township	4,293	23,904	15,536	159	43,892	545,304	8.0%
Jefferson Township	0	0	0	11	11	46,050	0.0%
Liberty Township	0	561	0	32	593	50,179	1.2%
Prairie Township	1,236	3,936	0	86	5,258	86,890	6.1%
Spiceland Township	72	998	36	40	1,146	39,304	2.9%
Stoney Creek Township	0	17	0	13	30	28,312	0.1%
Wayne Township	553	5,456	648	41	6,698	99,983	6.7%
New Castle Civil City	219,356	865,577	793,875	5,047	1,883,855	7,210,549	26.1%
Shirley Civil Town	1,256	8,084	7,987	31	17,359	58,797	29.5%
Blountsville Civil Town	0	296	0	61	357	7,885	4.5%
Cadiz Civil Town	0	0	0	0	0	4,058	0.0%
Dunreith Civil Town	1,076	3,368	1,539	81	6,064	34,676	17.5%
Greensboro Civil Town	0	767	0	66	834	8,639	9.7%
Kennard Civil Town	540	2,971	0	98	3,609	33,679	10.7%
Knightstown Civil Town	5,915	38,986	7,887	185	52,973	381,745	13.9%
Lewisville Civil Town	219	3,536	0	67	3,823	33,334	11.5%
Middletown Civil Town	219	17,476	0	359	18,054	483,615	3.7%
Mooreland Civil Town	178	2,831	24	3	3,035	27,803	10.9%
Mount Summit Civil Town	21	143	0	28	193	6,437	3.0%
Spiceland Civil Town	352	2,690	0	288	3,330	53,135	6.3%
Springport Civil Town	202	941	0	1	1,143	13,825	8.3%
Straughn Civil Town	108	2,073	0	157	2,338	20,312	11.5%
Sulphur Springs Civil Town	0	0	0	15	15	23,057	0.1%
Blue River Valley School Corp	20,584	100,148	49	1,546	122,327	1,910,622	6.4%
South Henry School Corp	6,196	131,254	1,692	2,591	141,734	2,387,441	5.9%
Shenandoah School Corp	170	13,603	0	565	14,339	2,114,586	0.7%
New Castle Community School Corp	136,149	581,608	492,737	3,462	1,213,955	6,950,686	17.5%
Charles A. Beard Memorial School Corp	18,532	132,373	16,981	1,091	168,977	2,400,084	7.0%
Union School Corp	0	459	0	167	626	228,685	0.3%
Nettle Creek School Corp	0	0	0	374	374	295,679	0.1%
Knightstown Public Library	811	5,346	1,081	25	7,263	52,343	13.9%
Middletown-Fall Creek Township Pub Lib	21	1,717	0	44	1,782	122,937	1.4%
Spiceland Public Library	47	459	29	23	558	15,360	3.6%
New Castle Public Library	0	0	0	0	0	0	
Henry County Contractual Library	0	0	0	0	0	0	
New Castle-Henry County Public Library	24,790	123,269	74,857	1,129	224,045	2,087,342	10.7%
Three Rivers Solid Waste Mgt Dist	0	0	0	0	0	0	
Middletown Redevelopment Comm	0	0	0	0	0	0	
Henry County Redevelopment Comm	0	0	0	0	0	0	
TIF - Middletown TIF	0	12	0	0	12	21,891	0.1%
TIF - Franklin Industrial Park	0	60	0	0	60	519	11.6%
TIF - Franklin--Spiceland II	0	1,630	0	136	1,766	51,156	3.5%
TIF - Henry--Industrial Park	0	138	0	0	138	361,551	0.0%
TIF - Henry--New Castle NW	0	3	0	0	3	11,845	0.0%
TIF - New Castle--Industrial Park	0	0	22,325	0	22,325	92,047	24.3%
TIF - New Castle--New Castle NWII	0	307	38,094	0	38,401	157,684	24.4%
TIF - New Castle--New Castle SE	0	0	0	0	0	0	
TIF - Spiceland Twp--Spiceland II	0	270	0	0	270	143,307	0.2%
TIF - Spiceland Twp--Spiceland	0	21	0	0	21	170,429	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.